

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
153 Halsey Street  
P.O. Box 47029  
Newark, New Jersey 07101  
(973) 504-3600

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IN THE MATTER OF: :

Victor Mowat, :

CRD # 341765 :

Respondent :

SUMMARY BAR ORDER

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Victor Mowat  
14 Brampton Way  
Trenton, NJ 08690

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") under the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq. ("Law"), more particularly, N.J.S.A. 49:3-56, and after careful review and due consideration of State of New Jersey v. Victor Mowat ("Plea Agreement"), and Judgment Number 03-05-00075S, pronounced on November 17, 2003, entered on April 2, 2004, and filed on April 15, 2004 ("Judgment"), the Bureau Chief makes the following findings of fact:

1. Victor Mowat ("Mowat"), residing at 14 Brampton Way, Trenton, New Jersey 08690, was registered with the Bureau as an agent of American Express Financial Advisors, Inc. ("AEFA" CRD #6363) from May 4, 1984 to July 12, 2001.

2. While working for AEFA, Mowat engaged in the misapplication of entrusted property totaling \$220,000.00 from his client, Sandra Kelly ("Ms. Kelly") through the unauthorized transfer of those monies from Ms. Kelly's personal account at First Union Bank to Mowat's wife, Margaret Mowat ("his wife"), on May 20, 1998.

3. Mowat deposited the \$220,000.00 taken from Ms. Kelly, into an account at Core States Bank controlled by himself and his wife. A check in the amount of \$110,000.00 was subsequently drawn from the Core States Bank account on May 27, 1998, and used to fund a brokerage account at Charles Schwab & Co. Inc. ("Schwab 1"). The Schwab 1 account was opened in the name of Margaret Mowat with Victor Mowat empowered as "Agent and Attorney in Fact".

4. A second check in the amount of \$100,000.00 was used to fund a second account at Charles Schwab & Co. Inc. ("Schwab 2"). The Schwab 2 account was also opened in the name of Margaret Mowat and named Philip Subhan, Mowat's business partner in Mowat, Subhan & Associates, LLC, as 100% beneficiary. Mowat acknowledged Philip Subhan as full beneficiary on the Schwab 2 account application form.

5. Approximately \$10,000.00 (the balance of the \$220,000.00 drawn from Ms. Kelly's account), was dispersed for personal use by Mowat and his wife.

6. On November 17, 2003, Mowat pled guilty to one count of Misapplication of Entrusted Property in the Second Degree in New Jersey Superior Court, Mercer County and was charged with Misapplication of Entrusted Property in violation of N.J.S.A. 2C:21-15.

7. On April 2, 2004, Mowat's guilty plea to Misapplication of Entrusted Property in the Second Degree was accepted. He was sentenced on April 2, 2004 to pay Restitution in the amount of \$110,000.00, probation for a period of five years and 300 hours of community service.

8. Pursuant to N.J.S.A. 49:3-56(k), "[t]he bureau chief may summarily bar...any person, who has been convicted of any crime of embezzlement... or any crime involving any theft, forgery or fraudulent practices in regard to any state, federal or foreign securities..laws or anti-fraud laws, from being a partner, officer or director of an issuer, broker-dealer or investment

adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being under common control or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in this State. //

9. Based on the foregoing, Mowat's bar from the securities industry in New Jersey is in the public interest, pursuant to N.J.S.A. 49:3-56(k) and necessary for the protection of investors.

For the reasons stated above, it is on this 26th day of September, 2005 ordered that Victor Mowat be and hereby is, summarily barred pursuant to N.J.S.A. 49:3-56(k) from being a partner, officer, or director of an issuer, broker dealer or investment adviser or from occupying a similar status or performing a similar function or from directly or indirectly controlling an issuer, broker-dealer or investment adviser, or from acting as a broker dealer, agent or investment adviser or from being employed or associated with a broker dealer or investment adviser in any capacity in the State of New Jersey; and

It is further ordered that Victor Mowat is permanently barred from distributing, offering, selling, offering to sell, negotiating, promoting, advertising or issuing any security in or from the State of New Jersey; and

It is further ordered that the exemptions to the registration requirements provided by N.J.S.A 49:3-56(a) (b) (c) and (g) are hereby denied; and

DATED: September 26, 2005 By: Franklin L. Widmann  
Franklin L. Widmann  
Chief, Bureau of Securities

### NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-56(k), any person barred by this subsection shall be entitled to request a hearing by the same procedures as set forth in subsection(c) of N.J.S.A. 49:3-50. Pursuant to N.J.S.A. 49:3-50(c)(1), upon service of the order issued by the Bureau Chief, the respondent shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five (5) days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau. Orders issued pursuant to subsection (c) shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order shall be held in any event within 20 days after it is requested; and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-50(c)(2) if a respondent fails to respond by either filing, a written answer and written request for a hearing with the bureau or moving to vacate an order within the 15 days prescribed period, the respondent shall be deemed to have waived the opportunity to be heard. The Order will remain in effect until modified or vacated upon notice to all interested parties by the Bureau Chief.

### NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47, provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of this Order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.